# EXHIBIT A
# TO PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT

# Ally Financial Inc. ( GOM )

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# 10-K

Annual report pursuant to section 13 and 15(d)
Filed on 3/1/2010
Filed Period 12/31/2009

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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# Form 10–K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2009, or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number: 1–3754**

# GMAC INC.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **38–0572512**<br>**(I.R.S. Employer Identification No.)** |

**200 Renaissance Center**
**P.O. Box 200 Detroit, Michigan**
**48265–2000**
**(Address of principal executive offices)**
**(Zip Code)**

**(866) 710–4623**
**(Registrant's telephone number, including area code)**

Securities registered pursuant to Section 12(b) of the Act (all listed on the New York Stock Exchange):

| Title of each class | |
|---|---|
| 8 $^{7}/_{8}$% Notes due June 1, 2010 | 7.30% Public Income Notes (PINES) due March 9, 2031 |
| 6.00% Debentures due April 1, 2011 | 7.35% Notes due August 8, 2032 |
| 10.00% Deferred Interest Debentures due December 1, 2012 | 7.25% Notes due February 7, 2033 |
| 10.30% Deferred Interest Debentures due June 15, 2015 | 7.375% Notes due December 16, 2044 |

Indicate by check mark if the registrant is a well–known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S–T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S–K (§ 229.405 of this chapter) is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10–K or any amendment to this Form 10–K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non–accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b–2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer ☐ | Accelerated filer ☐ | Non–accelerated filer ☒<br>(Do not check if a smaller reporting company) | Smaller reporting company ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b–2 of the Act). Yes ☐ No ☒

Aggregate market value of voting and nonvoting common equity held by nonaffiliates: GMAC Inc. common equity is not registered with the Securities and Exchange Commission and there is no ascertainable market value for such common equity.

At February 25, the number of shares outstanding of the Registrant's common stock was 799,120 shares.

Documents incorporated by reference. None.

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GMAC Inc. • Form 10-K

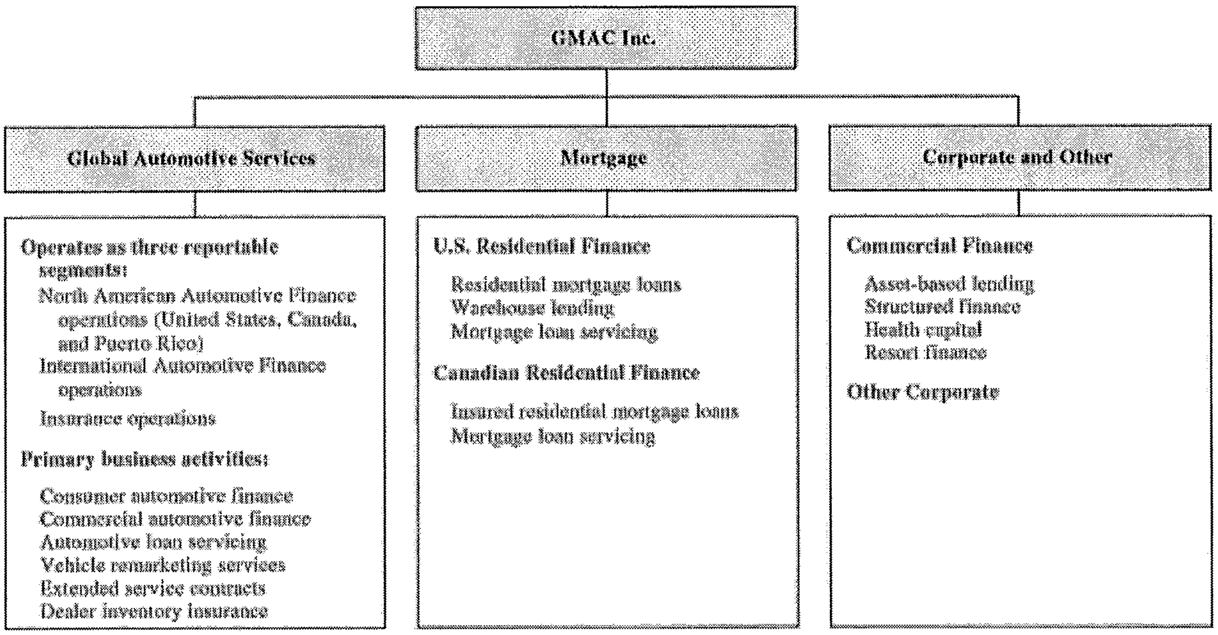
## Item 1. Business

### General

GMAC Inc. was founded in 1919 as a wholly owned subsidiary of General Motors Corporation (currently General Motors LLC or GM). We are a leading, independent, globally diversified, financial services firm with $172 billion in assets and operations in approximately 40 countries. On December 24, 2008, the Board of Governors of the Federal Reserve System approved our application to become a bank holding company under the Bank Holding Company Act of 1956, as amended (the BHC Act). Our banking subsidiary is Ally Bank, which is an indirect wholly owned subsidiary of GMAC Inc. The terms "GMAC," "the Company," "we," "our," and "us" refer to GMAC Inc. and its subsidiaries as a consolidated entity, except where it is clear that the terms means only GMAC Inc.

### Our Business

Global Automotive Services and Mortgage are our primary lines of business. The following table reflects the primary products and services offered by the continuing operations of each of our lines of business.



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**Global Automotive Services**

Our Global Automotive Services operations offer a wide range of financial services and insurance products to retail automotive consumers, automotive dealerships, and other commercial businesses. Our automotive finance services include purchasing retail installment sales contracts and leases, offering term loans to dealers, financing dealer floorplans and other lines of credit to dealers, fleet leasing, and vehicle remarketing services. We also offer vehicle service contracts and selected commercial insurance coverages in the United States and internationally. We are a leading provider of vehicle service contracts with mechanical breakdown and maintenance coverages, and we provide commercial insurance primarily covering dealers' wholesale vehicle inventory.

Historically, our Global Automotive Services operations have concentrated on GM-franchised dealers and their customers. On November 30, 2006, in connection with the sale by GM of a 51% interest in GMAC, GM and GMAC entered into an agreement that, subject to certain conditions and limitations, whenever GM offers vehicle financing and leasing incentives to customers, it would do so exclusively through GMAC. In connection with the approval of GMAC's application to become a bank holding company, GM and GMAC modified this agreement on December 29, 2008. As a result of these modifications: (1) through December 29, 2010, GM can offer retail financing incentive programs through a third-party financing source under certain specified circumstances, and in some cases subject to the limitation that pricing offered by the third party meets certain restrictions, and after December 29, 2010, GM can offer any incentive programs on a graduated basis through third parties on a nonexclusive, side-by-side basis with GMAC, provided that the pricing of the third parties meets certain requirements; (2) GMAC will have no obligation to provide operating lease financing products; and (3) GMAC will have no targets against which it could be assessed penalties. The modified agreement will expire on December 24, 2013. A primary objective of the agreement continues to be supporting distribution and marketing of GM products.

On April 30, 2009, we entered into an agreement with Chrysler LLC (Chrysler) to provide automotive financing products and services to Chrysler dealers and customers. We are Chrysler's preferred provider of new wholesale financing for dealer inventory in the United States, Canada, and Mexico, along with other international markets upon the mutual agreement of the parties. We will provide dealer financing and services and retail financing to Chrysler dealers and customers as we deem appropriate according to our credit policies and in our sole discretion. Chrysler is obligated to provide us with certain exclusivity privileges including the use of GMAC for designated minimum threshold percentages of certain of Chrysler's retail financing subvention programs. The agreement extends through April 30, 2013, with automatic one-year renewals unless either we or Chrysler provides sufficient notice of nonrenewal.

***Automotive Finance***

We provide automotive financing services to consumers and to automotive dealers and other businesses. To fund these lending activities, we have recently relied primarily on bank deposit funding at Ally Bank, asset securitizations, whole-loan sales through our forward flow agreements, and debt offerings.

For consumers, we offer retail automotive financing and leasing for new and used vehicles. In the United States, retail financing for the purchase of vehicles takes the form of installment sale financing. When we refer to consumer automotive loans in this document, we are including retail installment sales financing unless the context suggests otherwise. During 2009, we originated a total of 1.1 million automotive loans and leases totaling approximately $25.7 billion. We provided financing for 20% of GM's global retail sales. For additional information about our relationship and business transactions with GM, refer to Note 25 to the Consolidated Financial Statements and Item 13. Certain Relationships and Related Transactions, and Director Independence.

Our consumer automotive financing operations generate revenue through finance charges or lease payments and fees paid by customers on the retail contracts and leases. We also recognize a gain or loss on the remarketing of the vehicles financed through lease contracts. When the lease contract is originated, we estimate the residual value of the leased vehicle at lease termination stated as a percentage of the manufacturer's suggested retail price. At lease termination, our actual sales proceeds from remarketing the vehicle may be higher or lower than the estimate, which is revised over time.

GM or Chrysler may elect as a marketing incentive to sponsor special financing programs for retail sales of their respective vehicles. The manufacturer can lower the financing rate paid by the customer on either a retail contract or a lease by paying us the present value of the difference between the customer rate and our standard market rates at contract inception. These marketing incentives are referred to as rate support or subvention. GM may also from time to time offer lease pull-ahead programs, which encourage consumers to terminate leases early if they acquire a new GM vehicle. As part of these

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programs, we waive all or a portion of the customer's remaining payment obligation. In most cases, GM compensates us for a portion of the foregone revenue from those waived payments and our remarketing sale proceeds are typically higher than otherwise would be realized if the vehicle had been remarketed at lease contract maturity. Historically, the manufacturer elected to lower a customer's lease payments through a residual support incentive program; in these instances, the manufacturer and we agreed to increase the projected value of the vehicle at the time the lease contract was signed, and the manufacturer reimbursed us if the remarketing sales proceeds were less than the adjusted residual value. We currently do not have any residual support incentive programs on leases originated in 2009 with any manufacturers.

Our commercial automotive financing operations fund dealer purchases of new and used vehicles through wholesale or floorplan financing. Additional commercial offerings include automotive dealer term loans, revolving lines of credit, and dealer fleet financing. During 2009, we financed 4.1 million vehicles through wholesale or floorplan financings. We financed 78% of GM's sales during 2009.

Wholesale automotive financing represents the largest portion of our commercial automotive financing business. We extend lines of credit to individual dealers. In general, each wholesale credit line is secured by all the vehicles financed and, in some instances, by other assets owned by the dealer or by a personal guarantee. The amount we advance to dealers is equal to 100% of the wholesale invoice price of new vehicles. Interest on wholesale automotive financing is generally payable monthly and is usually indexed to a floating rate benchmark. The rate for a particular dealer is based on the dealer's creditworthiness and eligibility for various incentive programs, among other factors.

***Insurance***

Our Insurance operations offer both consumer and commercial insurance products sold primarily through the dealer channel. We provide vehicle extended service contracts and underwrite selected commercial insurance coverages in the United States and internationally (primarily covering dealers' wholesale vehicle inventory) as well as personal automobile insurance in certain countries outside the United States. We sell vehicle extended service contracts with mechanical breakdown and maintenance coverages.

Our vehicle extended service contracts for retail customers offer owners and lessees mechanical repair protection and roadside assistance for new and used vehicles beyond the manufacturer's new vehicle warranty. These extended service contracts are marketed to the public through automotive dealerships and on a direct response basis in the United States and Canada. The extended service contracts cover virtually all vehicle makes and models. We also offer guaranteed asset protection (GAP) products, which allow the recovery of a specified economic loss beyond the covered vehicle's value in the event the vehicle is damaged and declared a total loss. Our U.K.–based Car Care Plan subsidiary provides automotive extended service contracts and GAP products in Europe and Latin America.

Wholesale vehicle inventory insurance for dealers provides physical damage protection for dealers' floorplan vehicles. Dealers are generally required to maintain this insurance by their floorplan finance provider. We offer vehicle inventory insurance in the United States to virtually all new car franchised dealerships. Through our international operations, we reinsure dealer vehicle inventory and other lines of insurance in Europe, Latin America, and Asia Pacific. International operations also manage a fee–focused insurance program through which commissions are earned from third–party insurers offering insurance products primarily to GMAC customers worldwide.

Our ABA Seguros subsidiary provides personal automobile insurance and certain commercial insurance in Mexico. We also provide personal automobile insurance in Canada. In addition, there are brokerage, agency, and consultancy operations in the United States and internationally.

A significant aspect of our Insurance operations is the investment of proceeds from premiums and other revenue sources. We will use these investments to satisfy our obligations related to future claims at the time these claims are settled. Our Insurance operations have an Investment Committee, which develops guidelines and strategies for these investments. The guidelines established by this committee reflect our risk tolerance, liquidity requirements, regulatory requirements, and rating agency considerations, among other factors.

***Mortgage***

Our continuing Mortgage operations are focused primarily on the residential real estate market in the United States and Canada. We engage in the origination, purchase, servicing, sale, and securitization of consumer (i.e., residential) mortgage

loans and mortgage–related products. Mortgage operations include the Residential Capital, LLC (ResCap) legal entity, the mortgage operations of Ally Bank in the United States, and the mortgage operations of ResMor Trust in Canada.

The principal activities of our domestic residential finance business include originating, purchasing, selling, and securitizing residential mortgage loans; servicing residential mortgage loans for ourselves and others; and providing collateralized lines of credit to other mortgage originators, which we refer to as warehouse lending. During 2009, we originated or purchased 311,917 mortgage loans totaling approximately $66.1 billion. In response to market conditions, our Mortgage operations have substantially eliminated production of loans that do not conform to the underwriting guidelines of Fannie Mae, Freddie Mac, and Ginnie Mae in the United States. We are the sixth largest producer and fifth largest servicer of residential mortgage loans in the United States (as ranked by *Inside Mortgage Finance*).

The Mortgage operations' international residential finance business includes substantially all mortgage activities outside of the United States. Due to market conditions and our decision to reduce our exposure internationally and classify certain operations as discontinued, mortgage loan production in the foreign markets in which we operate has been suspended with the exception of insured mortgages in Canada.

The Mortgage operations also historically provided financing and equity capital to residential land developers and homebuilders through its domestic capital platform. These activities have been curtailed and are being managed to maximize our return.

We sell most of the mortgage loans we originate or purchase. In 2009, we sold $63.0 billion in mortgage loans. We typically sell prime conforming mortgage loans in sales that take the form of securitizations guaranteed by Fannie Mae or Freddie Mac, and typically sell government mortgage loans in securitizations guaranteed by Ginnie Mae. In 2009, we sold $54.8 billion of mortgage loans to government–sponsored enterprises, or 87.0% of the total loans sold, $6.9 billion to other investors through whole–loan sales, and $1.3 billion in nonagency securitizations (also referred to as private label securitizations).

Our sale and agency securitization activities include developing asset sale or retention strategies, conducting pricing and hedging activities, and coordinating the execution of whole–loan sales and securitizations.

On December 31, 2009, we announced that due to our ongoing strategic review of how to best deploy GMAC's current and future liquidity, we decided to pursue strategic alternatives with respect to ResCap and committed to a plan involving a series of specific actions related to management's intent to sell certain ResCap related assets and businesses. These actions resulted in the reclassification of certain international and domestic mortgage–related assets and businesses of ResCap from held–for–investment to held–for–sale, which included ResCap's United Kingdom operations, continental Europe operations, and certain domestic assets. In order to maximize value, we will consider a variety of options including one or more sales, spin–offs, or other potential transactions. The timing and form of execution of any such transaction will depend on market conditions. We believe these transactions should minimize the impact of any significant future losses related to ResCap's legacy mortgage business and position us to explore strategic alternatives for ResCap.

**Corporate and Other**

Our Commercial Finance Group is included within Corporate and Other. Our Commercial Finance Group provides asset–based lending, factoring and structured finance products to small and medium sized businesses primarily in the United States.

## Industry and Competition

The financial services industry is highly competitive. We compete with other financial services providers including captive automotive finance companies, banks, savings and loan associations, credit unions, finance companies, mortgage banking companies, and insurance companies. Many of these competitors benefit from lower cost structures and frequently have fewer regulatory constraints.

In 2008 and 2009, the credit and capital markets were severely disrupted. This market dislocation significantly reduced overall liquidity in the consumer finance industry from many sources including the automotive and mortgage asset–backed securitization markets, the commercial paper market, and the long–term unsecured credit market. While these developments adversely impacted us and many of our competitors, many of these same competitors historically had been able to access capital at a lower cost than us. As a result of our conversion to a bank holding company, we have increased our use of deposits, which are becoming one of our largest sources of funding and the key source of funding at Ally Bank. We compete with other deposit–taking institutions such as banks, thrifts, and credit unions for deposits.

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The provision for loan losses decreased 22% for the year ended December 31, 2008, compared to 2007. The decrease was primarily driven by a smaller loan portfolio subject to allowance due to the deconsolidation of $27.4 billion of mortgage loans held–for–investment in 2007. Additionally, certain fair value elections were made on January 1, 2008, that resulted in a lower provision because these assets were adjusted to market each period and no longer subject to an allowance. These impacts were partially offset by an increase in the provision due to increased delinquencies, higher severity and frequency assumptions, and home price depreciation.

During the year ended December 31, 2007, goodwill impairment of $438 million was recorded as a result of certain triggering events, including credit downgrades and significant losses for the business. No such impairment was recognized during 2008.

Noninterest expense increased 2% during the year ended December 31, 2008, compared to 2007. The increase was primarily attributable to an increase in foreign currency losses due to the strengthening U.S. dollar and the changes in unhedged exposure caused by the limited availability of willing counterparties to enter into forward arrangements. The increase was also impacted by an increase in professional fees primarily due to costs associated with ResCap's debt tender and exchange offerings. These adverse impacts were partially offset by lower compensation and benefits expense due to announced reductions in workforce as a result of restructuring efforts.

**Loan Production**

***U.S. Mortgage Loan Production Channels***

We have two primary channels for residential mortgage loan production: the origination of loans through our direct lending network and the purchase of loans in the secondary market (primarily from Ally Bank correspondent lenders).

- ***Direct lending network*** — Our direct lending network consists of internet (including through the ditech.com brand) and telephone–based call center operations. In late 2008, we closed all of our retail branches as part of a restructuring initiative to streamline our operations. Most of the residential mortgage loans of this channel are originated through Ally Bank.
- ***Correspondent lender and other secondary market purchases*** — Loans purchased from correspondent lenders are originated or purchased by the correspondent lenders and subsequently sold to us. All of the purchases from correspondent lenders are conducted through Ally Bank. We qualify and approve any correspondent lenders who participate in the loan purchase programs.

We have ceased the majority of loan originations through mortgage brokers and closed our wholesale channel as part of a restructuring initiative announced in September 2008 to align our operations with the redirected focus on government–sponsored loan products.

The following table summarizes domestic consumer mortgage loan production by channel.

| | **U.S. mortgage loan production by channel** | | | | | |
|---|---|---|---|---|---|---|
| | **2009** | | 2008 | | 2007 | |
| Year ended December 31, *($ in millions)* | **No. of loans** | **Dollar amount of loans** | No. of loans | Dollar amount of loans | No. of loans | Dollar amount of loans |
| Retail branches | **8,215** | **$ 1,624** | 40,316 | $ 7,389 | 76,882 | $ 12,260 |
| Direct lending (other than retail branches) | **33,975** | **6,900** | 35,044 | 6,249 | 92,470 | 10,664 |
| Mortgage brokers | **607** | **165** | 28,210 | 5,920 | 110,404 | 20,561 |
| Correspondent lender and secondary market purchases | **260,772** | **56,042** | 166,900 | 35,583 | 287,084 | 50,420 |
| Total U.S. production | **303,569** | **$ 64,731** | 270,470 | $ 55,141 | 566,840 | $ 93,905 |

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# Management's Discussion and Analysis

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The following table summarizes the composition of our domestic consumer mortgage loan production.

| | U.S. mortgage loan production | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2009 | | | 2008 | | | 2007 | | |
| Year ended December 31, *($ in millions)* | **No. of loans** | | **Dollar amount of loans** | No. of loans | | Dollar amount of loans | No. of loans | | Dollar amount of loans |
| ResCap | **4,267** | $ | **730** | 106,418 | $ | 20,107 | 457,613 | $ | 71,247 |
| Ally Bank | **299,302** | | **64,001** | 164,052 | | 35,034 | 109,227 | | 22,658 |
| Total U.S. production | **303,569** | $ | **64,731** | 270,470 | $ | 55,141 | 566,840 | $ | 93,905 |

***U.S. Mortgage Loan Production by Type***

Consistent with our focus on government–sponsored loan products, we primarily originate prime conforming and government mortgage loans. In addition, we originate and purchase high–quality nonconforming jumbo loans, mostly from correspondent lenders, for the Ally Bank held–for–investment portfolio. Prior to the 2008 restructuring, we originated and acquired a broader range of mortgage loans, which generally fell into one of the following five categories:

- ***Prime conforming mortgage loans*** — Prime credit quality first–lien mortgage loans secured by single–family residences that meet or conform to the underwriting standards established by Fannie Mae or Freddie Mac for inclusion in their guaranteed mortgage securities programs.
- ***Prime nonconforming mortgage loans*** — Prime credit quality first–lien mortgage loans secured by single–family residences that either (1) do not conform to the underwriting standards established by Fannie Mae or Freddie Mac, because they have original principal amounts exceeding Fannie Mae and Freddie Mac limits, which are commonly referred to as jumbo mortgage loans, or (2) have alternative documentation requirements and property or credit–related features (e.g., higher loan–to–value or debt–to–income ratios) but are otherwise considered prime credit quality due to other compensating factors.
- ***Prime second–lien mortgage loans*** — Open– and closed–end mortgage loans secured by a second or more junior lien on single–family residences, which include home equity mortgage loans and lines of credit.
- ***Government mortgage loans*** — First–lien mortgage loans secured by single–family residences that are insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration (VA).
- ***Nonprime mortgage loans*** — First–lien and certain junior lien mortgage loans secured by single–family residences made to individuals with credit profiles that do not qualify for a prime loan, have credit–related features that fall outside the parameters of traditional prime mortgage products, or have performance characteristics that otherwise exposes us to comparatively higher risk of loss. Nonprime includes mortgage loans the industry characterizes as "subprime," as well as high combined loan–to–value second–lien loans that fell out of our standard loan programs due to noncompliance with one or more criteria.

The following table summarizes domestic consumer mortgage loan production by type.

| | U.S. mortgage loan production by type | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2009 | | | 2008 | | | 2007 | | |
| Year ended December 31, *($ in millions)* | **No. of loans** | | **Dollar amount of loans** | No. of loans | | Dollar amount of loans | No. of loans | | Dollar amount of loans |
| Prime conforming | **164,780** | $ | **37,651** | 182,373 | $ | 39,559 | 245,953 | $ | 47,376 |
| Prime nonconforming | **1,236** | | **992** | 4,140 | | 1,884 | 85,567 | | 28,513 |
| Prime second–lien | **3** | | **1** | 11,160 | | 873 | 179,462 | | 10,097 |
| Government | **137,550** | | **26,087** | 72,784 | | 12,822 | 24,528 | | 3,605 |
| Nonprime | **—** | | **—** | 13 | | 3 | 31,330 | | 4,314 |
| Total U.S. production | 303,569 | $ | 64,731 | 270,470 | $ | 55,141 | 566,840 | $ | 93,905 |

Each of the undersigned certifies the forgoing statements, understanding that a knowing and willful false or fraudulent statement made in connection with this certification may be punished by fine, imprisonment, or both (see, for example, 18 USC 1001),

/S/ Michael A. Carpenter
Michael A. Carpenter
Chief Executive Officer
GMAC Financial Services
Date: February 16, 2010

/S/ Robert S. Hull
Robert Hull
Chief Financial Officer
GMAC Financial Services
Date: February 12, 2010